Secrets. TL.97—100,000—21.5.48.

Development (1948) Department

SERIES

G.O. No. 1563

Dated 30-3-48

[Despatch Abstract.]

Budget - Demand XXXI - Miscellaneous Establishment for Price Control II Industries Department - Distribution of iron and steel -Note on the policy underlying the demand - Papers record.

NOTE ON THE POLICY UNDERLING THE "DEMAND FOR GRANT FOR 1948-49 - UNDER XXXI - Miscellaneous - Establishment for Price Control - II - Industries Department - Distribution of Iron and Steel.

With the reintroduction of control over steel with effect from 1-9-46, the Govt. of India formulated a scheme of distribution of iron and steel. Under this scheme all available steel is divided into the following quotas:-

(1) Railway quota; and
(2) Iron and Steel Controller's quota.

The Railway quota is operated upon by the Railway Board and the Provincial Govt. have no control over it. The Iron and Steel Controller's quota has been divided into specific allotments as mentioned below:-

(a) Industrial Maintenance and packing
(b) Steel Processing industries;
(c) Government Development Schemes;
(d) Industrial Development;
(e) Export; and
(f) Provincial and State Allotments.

Allotments under items (a) to (e) above are operated upon directly by the Iron and Steel Controller on the advice of the Industrial Associations or Government authorities concerned.

The quota under the "Provincial and State Allotments" is intended to meet the requirements of the Director of Agriculture for fabricators of agricultural implements and ryots, the Director of Industries and Commerce for fabricators of consumer goods, the Chief Engineer for normal maintenance requirements of buildings and roads of the Public Works Department of the Govt. and Municipalities and Local Boards; the requirements for repairs to night soil carts and dust bins and the requirements of the general public. The distribution of this allotment has to be made on permits issued by a Provincial Authority nominated by the Provincial Govt. and appointed by the Central Govt. With the concurrence of the Govt. of Madras, the Iron and Steel Controller, Calcutta has authorised the Director of Industries and Commerce to issue permits for the distribution of the Provincial Quota.

The procedure envisaged by the Govt. of India for the distribution of the Provincial quota is as follows:-

(i) The Iron and Steel Controller, Calcutta will inform the Provincial Authority of the amount of steel allotted to him;

(ii) The Provincial Authority will inform the Iron and Steel Controller of the quantity of steel allotted to each registered stockholder in the Province;

(iii) The Iron and Steel Controller will then direct each stockholder to place his indent on a specific producer, controlled stockholder or transit depot; and

(iv) When the steel arrives in the stockholder's yard he will immediately inform the Provincial authority of the arrival. The authority concerned will then issue permits to the consumers to acquire their steel from registered stockholders.

The Government of India have allotted to this Province a quantity of 31,000

~~31,000~~ tons of steel for the year 1947 under the head "Provincial and State Allotments." Owing to several complaints received in the distribution of iron and steel, the Govt. issued orders in September 1947, reorganising the distribution of the materials, eliminating the defects. They have also set apart 50% of the supplies for every quarters of the Provincial Quota of Iron and Steel allotted to this Province for agricultural purposes. The remaining 50% of the Provincial quota is utilised for non-agricultural purposes, including the demands of the small scale manufacturers of consumer goods, maintenance requirements of buildings and roads of the Public Works Department and Local Boards and for repairs to Municipal dist bins etc. The Government have also sanctioned the staff mentioned below for the administration of the control.

One Steel Officer (Gazetted) on Rs.300-50/2-700 per mensem with a conveyance allowance of Rs.50/- p.m.
One Steel Assistant on Rs.200-10-300 p.m. with a conveyance allowance of Rs.25 p.m.
Senior/Junior Two/~~Junior~~-Superintendents on Rs.190-240 p.m. each.
Junior/ Two/~~Senior~~ Superintendents on Rs.140-190 p.m. each
Twelve Upper Division Clerks on Rs.80-125 p.m. each.
Twenty Lower Division Clerks on Rs.45-90 p.m. each;
Two typists on Rs.45-90 p.m. each (with a shorthand allowance of Rs.35/- p.m. to one typist possessing the requisite qualifications)
One Attender on Rs.24-30 p.m. each; and
Nine Peons on Rs.16-25 p.m. each.

The Government of India have allotted 4,000 tons of steel for the 1st quarter 1948 and will be allotting quarterly quotas to this Province under the "Provincial and State Allotments." The supply position of iron and steel is still very acute and is not likely to ease for some time to come. It is therefore necessary that the control should be continued for the present in the interest of the general public.

DEV.DEPT.(L).

L. Section is concerned with Iron and Steel Control. The Govt. passed orders reorganising the distribution of iron and steel plate G.O.Ms.No.4658 Dev. dated 29-9-'47. They have also sanctioned certain staff in connection with the administration of the control-cf. Memo.No.8496L/47-17, dated 11-9-1947. The expenditure is debited to the head '63- Extraordinary charges - a- Charges in India - E. Establishment for Price Control - II Industries Department This relate to Demand XXXI - Miscellaneous. The demand will be moved by Hon. the Premier. It does not appear that any big policy is involved underlying the demand. However it is for orders whether any note need be prepared.

Not note seems necessary.

xxx
28-2-48

Await instructions.

xxx(H.M.(Ind.)

H.M. told me that it has been decided that when introducing individual demands, the H.M. concerned will make a short speech dealing with the critisms or suggestions under that head. Short notes may therefore be prepared under each head separately. All Sns. to be informed.

(xsd.) xxxx
2/3

Secy's. orders at 'A' on p.8 above.

Extracts have been given to all sections for separate action.

2. A draft note in respect of iron and steel is submitted. After approval copies of note may be submitted to H.M.(Ind), and Hon'ble the Premier.

(sd.) xxx

H.Pr.(Sd.) O&P.R.
9-3-48.

(Orders in circulation)

Copies of note have been circulated to H.M.(Ind.) and H.Pr. The pp. may now be recorded.

G.O.Ms.No. -3-48.

Budget - Demand XXXI - Miscellaneous - Establishment for Price Control - II - Industries Department - Distribution of iron and steel - Note on the policy underlying the demand - Papers recorded -

So till 25-3-48.
(Sd.)xxx
14-3-48.

DEVLOPMENT (L) DEPTT.

To A.S.

Orders at 'A' on p.9 above.

The official communication onthe voting on grants by the Legislature has not yet been received. This may therefore be-ever lie over till 31-3-1948.

Recorded.
28-3-48.

G.O.Ms.No.1563 Dated 30-3-1948.

Budget - Demand XXXI - Miscellaneous Establishment for Price Control - II Industries Department - Distribution of iron and steel - Note on the policy underlying the demand -Papers recorded

/True copy/

Superintendent,
Madras Record Office.

30/